



CITY OF FREEPORT

125 Main Street E – PO Box 301 – Freeport, MN 56331 – 320-836-2112
For TTY/TDD Users 1-800-627-3529 or 711 Minnesota Relay Service www.freeportmn.org

November 28, 2023 - Regular Meeting Agenda
Freeport City Hall - 7:00 pm

Call to Order

- I. Approve Agenda
- II. Public Hearing
 - a. Truth-in-Taxation Meeting (1-16)
- III. Public Forum
- IV. Consent Agenda
 - a. October 31, 2023 Council Meeting Minutes (17-20)
 - b. November 8, 2023 Special Meeting Minutes (21)
 - c. Joseph Hartung Rental House Application (22)
 - d. Claims Report – November 2023 (23-24)
 - e. October 2023 Sheriff's Report (25)
- V. Reports
 - a. Clerk-Treasurer Report – Jon Nelson (26-27)
 - b. Fire Department Report – Andy Grieve (N/A)
 - c. Public Works Report – Loren Goebel (28)
 - d. Engineer Report – Dave Blommel (29)
 - e. Attorney Report – Scott Dymoke (30)
- VI. Old Business
 - a. Public Safety Aid Money (31)
- VII. New Business
 - a. Earned Sick and Safe Time (ESST) (32-33)
 - b. Welle Four Lottery System (34)
- VIII. Adjourn

Next Regular Meeting: December 19, 2023

BUDGET MEMO

TO: MAYOR AND COUNCIL
FROM: ABDO FINANCIAL SOLUTIONS, LLC
SUBJECT: PRELIMINARY 2024 BUDGET
DATE: November , 2023

Introduction

Upon your request, we have summarized some of the key items for consideration in this years' budget. This is the DO NOT EXCEED preliminary tax levy that needs to be certified to Stearns County by September 30th. The City will continue to work on the budget and tax levy until the final is adopted in December.

Budget Format

The 2024 Budget included the Council approved priorities for each department. These will continue to be reviewed and updated as needed in the 2024 budget.

Key items in this year's budget:

- The 2024 tax rate is proposed to increase 0.39% to 68.64%
- The total 2024 tax levy is proposed to increase \$47,162 or 8.22% from 2023
 - The general levy increased \$17,162 or 6.73%
 - Factors relating to this increase include an increase in the audit expense, a long term plan expense and a 3% COLA increase.
 - The debt levy shows no change.
 - The debt service on the 2021 Street Improvement (Fire/Mill) Bonds is not known at this time since the project has not been completed. At the recommendation of David Drown and Associates (the city's municipal advisor), \$175,000 has been included for debt service on the 2021 Street Improvement (Fire/Mill) Bonds and \$31,000 for professional services related to this project. This will be updated once we have finalized information from the city engineer.
 - The capital levy stayed the same overall, however, this document shows a decrease in the street light levy from \$60,000 to \$20,000 and the establishment of the sidewalk capital fund in the amount of \$40,000.
- Staffing
 - The preliminary budget shows a 3% increase for COLA.

Tax Levy Summary

Overall, the property tax levy includes levies for general operations, EDA, capital equipment and improvements, and debt service. The 2023 actual and 2024 proposed property tax levies are listed below:

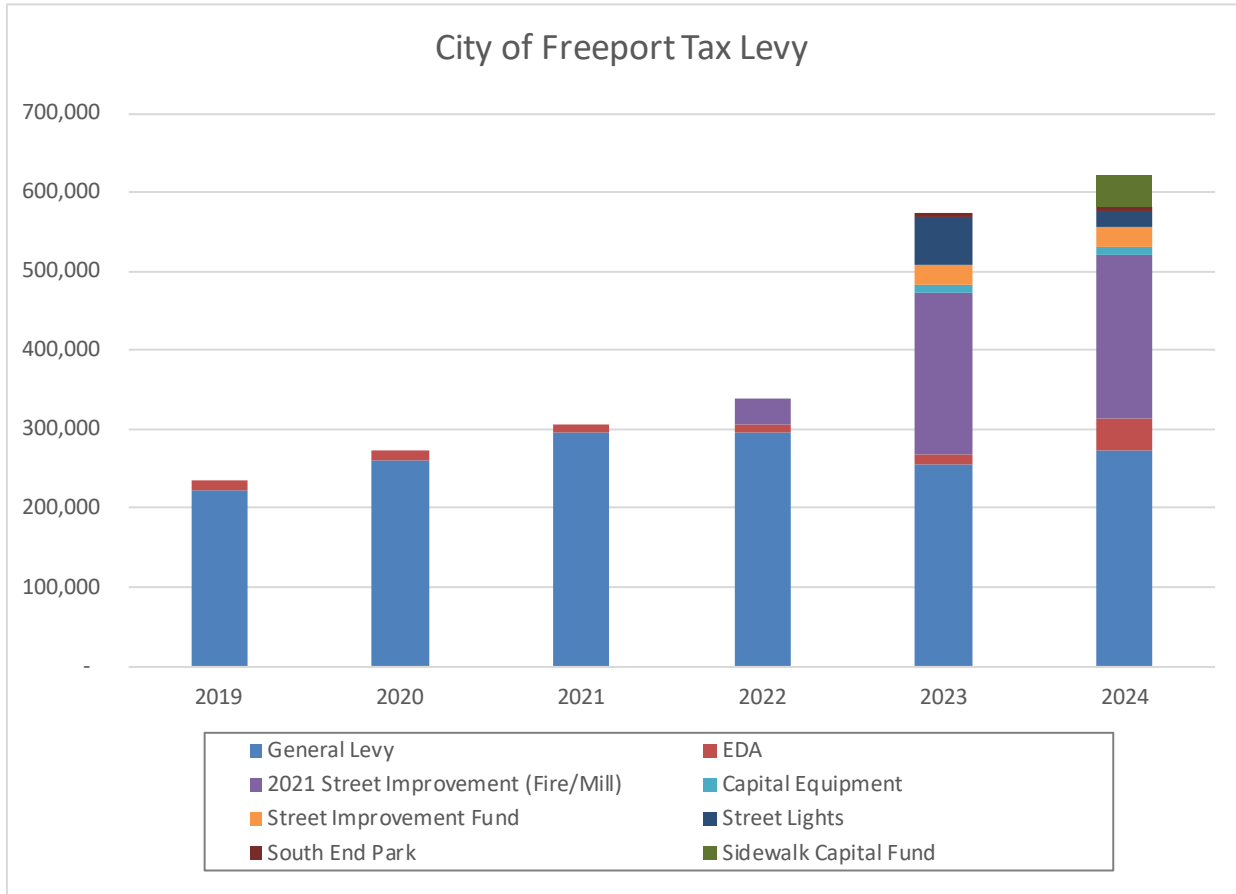
	2023 Levy	Proposed 2024 Levy	Increase (Decrease) from 2023	Percent Change from 2023
General Levy	\$ 254,968	\$ 272,130	\$ 17,162	6.73%
EDA Levy	12,000	42,000	30,000	250.00%
Capital Levy				
Capital Equipment	10,000	10,000	-	0%
Street Improvements	25,000	25,000	-	0%
Street Lights	60,000	20,000	(40,000)	-66.67%
Sidewalk Capital Fund		40,000	40,000	100.00%
South End Park	6,000	6,000	-	0%
Debt Levy				0%
2021 Street Improvement (Fire/Mill)	206,000	206,000	-	0%
Total	\$ 573,968	\$ 621,130	\$ 47,162	8.22%
Tax Capacity	\$ 841,009	\$ 904,957	\$ 63,948	7.60%
City Tax Rate*	68.25%	68.64%	0.39%	

The impact of the proposed 2024 City of Freeport tax levy and tax rate is shown below:

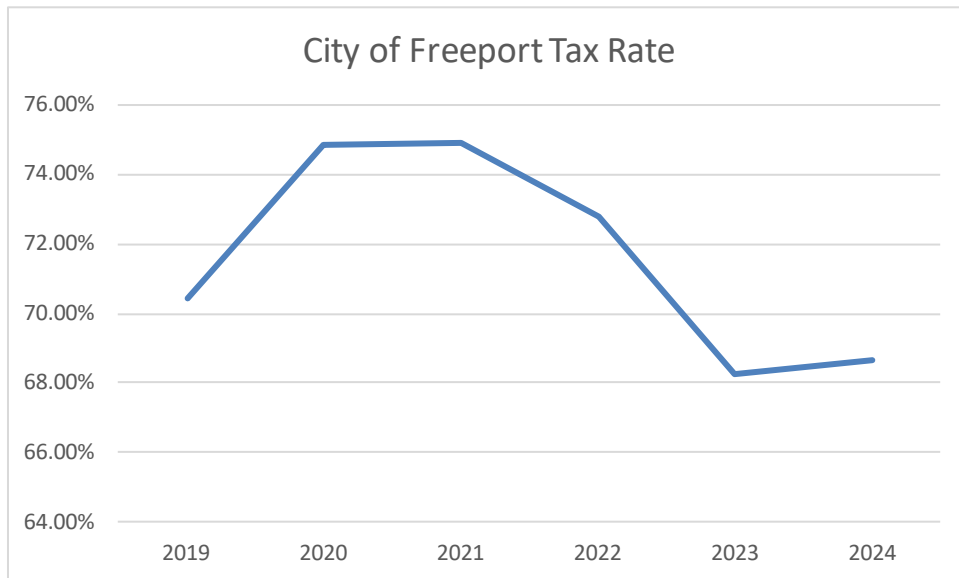
Property Type	Market Value	Taxable Market Value	2023 Taxes Payable	2024 Taxes Payable	Increase (Decrease) in Property Taxes
Residential	\$ 100,000	\$ 71,800	\$ 490	\$ 493	\$ 3
Residential	200,000	180,800	1,234	1,241	7
Residential	300,000	289,800	1,978	1,989	11
Residential	400,000	398,800	2,722	2,737	16
Commercial	500,000	500,000	6,313	6,349	36

Note: no change in market value has been assumed

Tax Levy Summary 2019 to 2023 Actual and 2024 Proposed



Tax Rate 2019 to 2023 Actual and 2024 Proposed



General Fund Budget Summary

	Actual 2021	Actual 2022	YTD 8/23/2023	Budget 2023	Budget 2024	Amount Change	Percent Change
Revenues							
Property taxes	\$ 292,974	\$ 296,539	\$ 134,123	\$ 254,968	\$ 272,130	\$ 17,162	7%
Other taxes	6,082	6,543	-	3,000	5,000	2,000	67%
Licenses and permits	13,244	15,886	18,110	13,400	14,900	1,500	11%
Intergovernmental	126,063	128,589	64,645	130,503	130,595	92	0%
Charges for services	202	101	100	150	150	-	0%
Fines and forfeitures	373	650	747	1,000	1,000	-	0%
Interest earnings	3,337	3,535	1,911	4,000	4,000	-	0%
Miscellaneous	15,926	100,542	10,703	2,700	3,500	800	30%
Other financing sources	90,500	90,500	45,250	90,500	90,500	-	0%
Total Revenues	\$ 548,701	\$ 642,885	\$ 275,589	\$ 500,221	\$ 521,775	\$ 21,554	4%
Expenditures							
General Government	\$ 31,228	\$ 132,735	\$ 80,581	\$ 152,450	\$ 161,000	\$ 8,550	6%
Legislative (Council/Board)	3,889	5,394	2,133	5,151	4,776	(375)	-7%
Executive (Mayor/Manager)	1,580	2,614	1,099	3,248	3,248	-	0%
Clerk	85,948	79,936	43,427	85,145	90,287	5,142	6%
Elections	1,730	4,650	-	4,400	4,400	-	0%
Auditor	14,875	14,589	18,746	15,400	20,000	4,600	30%
Assessor	4,816	4,770	4,847	4,900	4,900	-	0%
Planning and zoning	46	-	46	750	750	-	0%
Building Official	3,737	2,643	375	4,300	4,000	(300)	-7%
Fire & Rescue	44,070	43,107	22,403	44,805	46,687	1,882	4%
Civil Defense	-	1,940	-	-	-	-	0%
Public Works	82,785	93,714	103,840	92,012	94,467	2,455	3%
Highways, Streets & Roads	110,266	109,676	19,460	54,910	55,910	1,000	2%
Street Lighting	51,408	54,317	12,308	21,200	21,700	500	2%
Parks	17,591	134,141	4,609	11,550	9,650	(1,900)	-16%
Total Expenditures	\$ 453,969	\$ 684,226	\$ 313,874	\$ 500,221	\$ 521,775	\$ 21,554	4%
Excess Revenues (Expenditures)	\$ 94,732	\$ (41,341)	\$ (38,285)	\$ -	\$ -	\$ -	

Summary Budgets for All Other Budgeted Funds

	Actual 2021	Actual 2022	YTD 8/23/2023	Budget 2023	Budget 2024
AFSA Fund					
Revenues	\$ 309,560	\$ 250,173	\$ 147,471	\$ 195,030	\$ 207,442
Expenditures	265,979	129,974	51,711	129,064	139,980
Net Revenue Over (Under) Expenditures	<u>\$ 43,581</u>	<u>\$ 120,199</u>	<u>\$ 95,760</u>	<u>\$ 65,966</u>	<u>\$ 67,462</u>
EDA					
Revenues	\$ 12,265	\$ 12,323	\$ 33,374	\$ 12,160	\$ 42,200
Expenditures	7,223	5,727	7,636	12,000	12,000
Net Revenue Over (Under) Expenditures	<u>\$ 5,042</u>	<u>\$ 6,596</u>	<u>\$ 25,738</u>	<u>\$ 160</u>	<u>\$ 30,200</u>
Water					
Revenues	\$ 155,579	\$ 595,969	\$ 101,882	\$ 142,200	\$ 140,200
Expenditures	184,692	183,071	107,925	222,107	225,052
Net Revenue Over (Under) Expenditures	<u>\$ (29,113)</u>	<u>\$ 412,898</u>	<u>\$ (6,043)</u>	<u>\$ (79,907)</u>	<u>\$ (84,852)</u>
Waste Water					
Revenues	\$ 135,811	\$ 860,002	\$ 83,062	\$ 137,500	\$ 142,700
Expenditures	124,961	125,839	60,790	167,187	145,650
Net Revenue Over (Under) Expenditures	<u>\$ 10,850</u>	<u>\$ 734,163</u>	<u>\$ 22,272</u>	<u>\$ (29,687)</u>	<u>\$ (2,950)</u>

CITY OF FREEPORT
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Actuals				Current	%	Prelim.	Budget	Final	% Old
	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Budget
	2020	2021	2022	2023	2023	2023	24	24	24	24

101 General Fund										
31000 General Property Taxes										
31000 General Property Taxes	259,663	292,974	296,539	134,123	254,968	53%	272,130	_____	272,130	106%
Group:	259,663	292,974	296,539	134,123	254,968	53%	272,130	0	272,130	106%
31800 Other Taxes										
31810 Franchise Fees	7,052	6,082	6,543		3,000	0%	5,000	_____	5,000	166%
Group:	7,052	6,082	6,543		3,000	0%	5,000	0	5,000	166%
32100 Liquor Licenses										
32100 Liquor Licenses	6,990	7,920	8,075	8,110	8,100	100%	8,100	_____	8,100	100%
Group:	6,990	7,920	8,075	8,110	8,100	100%	8,100	0	8,100	100%
32200 Special Events										
32210 Building Permits	4,487	4,329	6,521	7,765	4,300	181%	5,500	_____	5,500	127%
32225 Rental Permits	1,230	525	375	1,685	600	281%	750	_____	750	125%
32230 Zoning Permit	375	250	550	325	250	130%	300	_____	300	120%
32231 Pet License	90	20	65	75	50	150%	50	_____	50	100%
Group:	6,182	5,124	7,511	9,850	5,200	189%	6,600	0	6,600	126%
32300 Gambling Licenses										
32300 Gambling Licenses	225	200	300	150	100	150%	200	_____	200	200%
Group:	225	200	300	150	100	150%	200	0	200	200%
33400 State Grants & Aid/PERA										
33400 State Grants & Aid/PERA	1,697				410	0%	410	_____	410	100%
33401 LGA (Local Gov't Aid)	121,497	125,186	127,312	64,645	129,243	50%	129,335	_____	129,335	100%
33402 HACA (Homestead Credit)	880	877	1,277		850	0%	850	_____	850	100%
Group:	124,074	126,063	128,589	64,645	130,503	50%	130,595	0	130,595	100%
34000 Charges for Services										
34000 Charges for Services	820	202	101	100	150	67%	150	_____	150	100%
Group:	820	202	101	100	150	67%	150	0	150	100%
35100 Fines										
35100 Fines	1,113	373	650	747	1,000	75%	1,000	_____	1,000	100%
Group:	1,113	373	650	747	1,000	75%	1,000	0	1,000	100%

CITY OF FREEPORT
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Actuals				Current	%	Prelim.	Budget	Final	% Old
	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Budget
					2023	2023	24	24	24	24
101 General Fund										
36200 Miscellaneous Revenues										
36200 Miscellaneous Revenues	8	70	6	203	0	***%			0	0%
36210 Interest Earnings	6,401	3,337	3,535	1,911	4,000	48%	4,000		4,000	100%
36220 Rents and Royalties	1,500	1,500	1,535		1,500	0%	1,500		1,500	100%
36230 Donations - Private	467	2,990	95,526	500	0	***%			0	0%
36240 Insurance Claims		6,074			0	0%			0	0%
36250 Insurance Dividends	1,910	5,292	3,475		1,200	0%	2,000		2,000	166%
36280 Sale of Equipment				10,000	0	***%			0	0%
Group:	10,286	19,263	104,077	12,614	6,700	188%	7,500	0	7,500	111%
39100 Transfer From AFSA										
39100 Transfer From AFSA	3,500	3,500	3,500	1,750	3,500	50%	3,500		3,500	100%
Group:	3,500	3,500	3,500	1,750	3,500	50%	3,500	0	3,500	100%
39500 Transfer from EDA										
39500 Transfer from EDA	5,000	5,000	5,000	2,500	5,000	50%	5,000		5,000	100%
Group:	5,000	5,000	5,000	2,500	5,000	50%	5,000	0	5,000	100%
39700 Transfer from Water										
39700 Transfer from Water	41,000	41,000	41,000	20,500	41,000	50%	41,000		41,000	100%
Group:	41,000	41,000	41,000	20,500	41,000	50%	41,000	0	41,000	100%
39800 Transfer From WasteWater										
39800 Transfer From WasteWater	41,000	41,000	41,000	20,500	41,000	50%	41,000		41,000	100%
Group:	41,000	41,000	41,000	20,500	41,000	50%	41,000	0	41,000	100%
Fund:	506,905	548,701	642,885	275,589	500,221	55%	521,775	0	521,775	104%
225 AFSA Fund										
33100 Federal Grants and Aids										
33100 Federal Grants and Aids		121,381			0	0%			0	0%
Group:		121,381			0	0%	0	0	0	0%
33400 State Grants & Aid/PERA										
33400 State Grants & Aid/PERA	21,230	19,452	20,530		19,700	0%	26,000		26,000	131%
33420 State Fire Dept Aid	1,350	10,515	2,950	11,325	4,250	266%	3,000		3,000	70%
Group:	22,580	29,967	23,480	11,325	23,950	47%	29,000	0	29,000	121%

CITY OF FREEPORT
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Actuals				Current	%	Prelim.	Budget	Final	% Old
	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Budget

225 AFSA Fund										
34200 Public Safety										
34202 Fire Contract	96,244	91,183	93,268	94,775	94,775	100%	98,755		98,755	104%
34203 Fire Revenues	5,700	5,500	4,480	1,340	6,000	22%	6,000		6,000	100%
34205 Rescue Revenues	16,064	11,998	28,088	8,350	17,000	49%	15,000		15,000	88%
Group:	118,008	108,681	125,836	104,465	117,775	89%	119,755	0	119,755	101%
36200 Miscellaneous Revenues										
36200 Miscellaneous Revenues			120	522	0	***%			0	0%
36210 Interest Earnings	3,759	2,661	2,073	1,402	2,000	70%	2,000		2,000	100%
36230 Donations - Private	29,511	2,800	55,557	7,354	6,500	113%	10,000		10,000	153%
36240 Insurance Claims	20,675				0	0%			0	0%
Group:	53,945	5,461	57,750	9,278	8,500	109%	12,000	0	12,000	141%
39400 Transfer from General										
39400 Transfer from General	45,500	44,070	43,107	22,403	44,805	50%	46,687		46,687	104%
Group:	45,500	44,070	43,107	22,403	44,805	50%	46,687	0	46,687	104%
Fund:	240,033	309,560	250,173	147,471	195,030	76%	207,442	0	207,442	106%
300 EDA										
31000 General Property Taxes										
31000 General Property Taxes	11,911	11,897	12,000	6,000	12,000	50%	42,000		42,000	350%
Group:	11,911	11,897	12,000	6,000	12,000	50%	42,000	0	42,000	350%
36200 Miscellaneous Revenues										
36210 Interest Earnings	802	368	323	274	160	171%	200		200	125%
36290 Sale Land/Property				27,100	0	***%			0	0%
Group:	802	368	323	27,374	160	***%	200	0	200	125%
Fund:	12,713	12,265	12,323	33,374	12,160	274%	42,200	0	42,200	347%
601 Water										
31300 General Sales and Use Tax										
31300 General Sales and Use Tax			959	563	0	***%			0	0%
Group:			959	563	0	***%	0	0	0	0%

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For the Year: 2024

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	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Budget
601 Water										
33400 State Grants & Aid/PERA										
33400 State Grants & Aid/PERA		8,993			0	0%			0	0%
Group:		8,993			0	0%	0	0	0	0%
34000 Charges for Services										
34000 Charges for Services	127,754	136,443	142,078	88,602	130,000	68%	135,000		135,000	103%
34050 Hook-up fee	1,200		1,200		1,200	0%	1,200		1,200	100%
Group:	128,954	136,443	143,278	88,602	131,200	68%	136,200	0	136,200	103%
36100 Special Assessments										
36100 Special Assessments	7,827	6,511	3,892	11,240	7,000	161%			0	0%
Group:	7,827	6,511	3,892	11,240	7,000	161%	0	0	0	0%
36200 Miscellaneous Revenues										
36210 Interest Earnings	5,891	3,632	3,451	1,477	4,000	37%	4,000		4,000	100%
Group:	5,891	3,632	3,451	1,477	4,000	37%	4,000	0	4,000	100%
39700 Transfer from Water										
39701 Capital Contribution			444,389		0	0%			0	0%
Group:			444,389		0	0%	0	0	0	0%
Fund:	142,672	155,579	595,969	101,882	142,200	72%	140,200	0	140,200	98%
602 Waste Water										
34000 Charges for Services										
34000 Charges for Services	136,343	134,588	139,364	82,101	135,000	61%	140,000		140,000	103%
34050 Hook-up fee	2,400		1,200		1,200	0%	1,200		1,200	100%
Group:	138,743	134,588	140,564	82,101	136,200	60%	141,200	0	141,200	103%
36200 Miscellaneous Revenues										
36210 Interest Earnings	1,529	1,223	2,341	961	1,300	74%	1,500		1,500	115%
Group:	1,529	1,223	2,341	961	1,300	74%	1,500	0	1,500	115%
39700 Transfer from Water										
39701 Capital Contribution			717,097		0	0%			0	0%
Group:			717,097		0	0%	0	0	0	0%

CITY OF FREEPORT
Revenue Budget Report -- MultiYear Actuals
For the Year: 2024

Account	Actuals				Current	%	Prelim.	Budget	Final	% Old
	2020	2021	2022	2023	Budget	Rec.	Budget	Change	Budget	Budget
Fund:	140,272	135,811	860,002	83,062	137,500	60%	142,700	0	142,700	103%
Grand Total:	1,042,595	1,161,916	2,361,352	641,378	987,111		1,054,317	0	1,054,317	